

MARKET TRENDS

VENTURA COUNTY INDUSTRIAL

MARKET DRIVERS

DIRECT NET ABSORPTION in 3Q 2023 was negative 256,835 SF, after the previous quarter's positive net absorption. Direct vacancy grew slightly quarter-over-quarter to 3% -- 100 basis points (bps) higher than the direct vacancy rate reported this time last year. Despite the uptick in vacancy, it remains low compared to pre-pandemic figures of 3.8% in 2019.

MAJORITY of the region's negative net absorption is attributed to the Oxnard/Pt Hueneme submarket, totaling negative 159,110 SF on the quarter. The submarket still maintains a very low direct vacancy rate of 1.8% and maintaining its average direct rental rate of \$0.92/sf nnn quarter-over-quarter.

SUBLEASE VACANCY in Ventura County was a low 0.4%-- 10 bps lower than the previous quarter.

AVERAGE RENTAL RATES remain high and currently sit at \$1.13/SF NNN, a 7.9% increase year-over-year. Although the rental rates remain high, they have fallen on average by \$0.09. While the quarter-over-quarter change is relatively small this is significant because rental rates have been consistently rising every quarter since Q2 2020.

LEASING ACTIVITY totaled 331,720 SF in the third quarter, a 31.6% decrease year-over-year. Year-to-date leasing activity totals 1,939,769 SF.

CURRENTLY, VENTURA COUNTY has 659,763 SF of industrial space under construction with year-to-date deliveries totaling 382,342 SF. No properties were delivered in the third quarter.

ECONOMIC REVIEW

IN JULY, VENTURA COUNTY'S unemployment rate increased to 4.2% from the 3.6% reported in January. The region's unemployment rate topped out at 14.8% at the height of the COVID-19 pandemic layoffs.

THE TRADE, TRANSPORTATION, AND UTILITIES SECTOR remains strong throughout Ventura County reporting over 57,400 jobs in August.

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Market Summary

	3Q23	2Q23	3Q22	Annual Change
Direct Vacancy Rate	3.0%	2.7%	2.0%	50.0%
Availability Rate	4.5%	4.1%	3.6%	25.0%
Asking Lease Rate	\$1.13	\$1.24	\$1.05	7.9%
Leasing Activity (SF)	331,720	1,179,493	485,082	-31.6%
Sale Volume (SF)	179,891	196,347	412,116	-56.3%
Direct Net Absorption (SF)	(256,835)	33,538	(186,071)	N/A

↑ **332K SF**
LEASING ACTIVITY

↓ **-257K SF**
DIRECT NET ABSORPTION

↑ **3.0%**
VACANCY RATE

↑ **\$1.13**
ASKING RENT (AVG)

↓ **0 SF**
NEW DELIVERIES

Year-Over-Year Trend

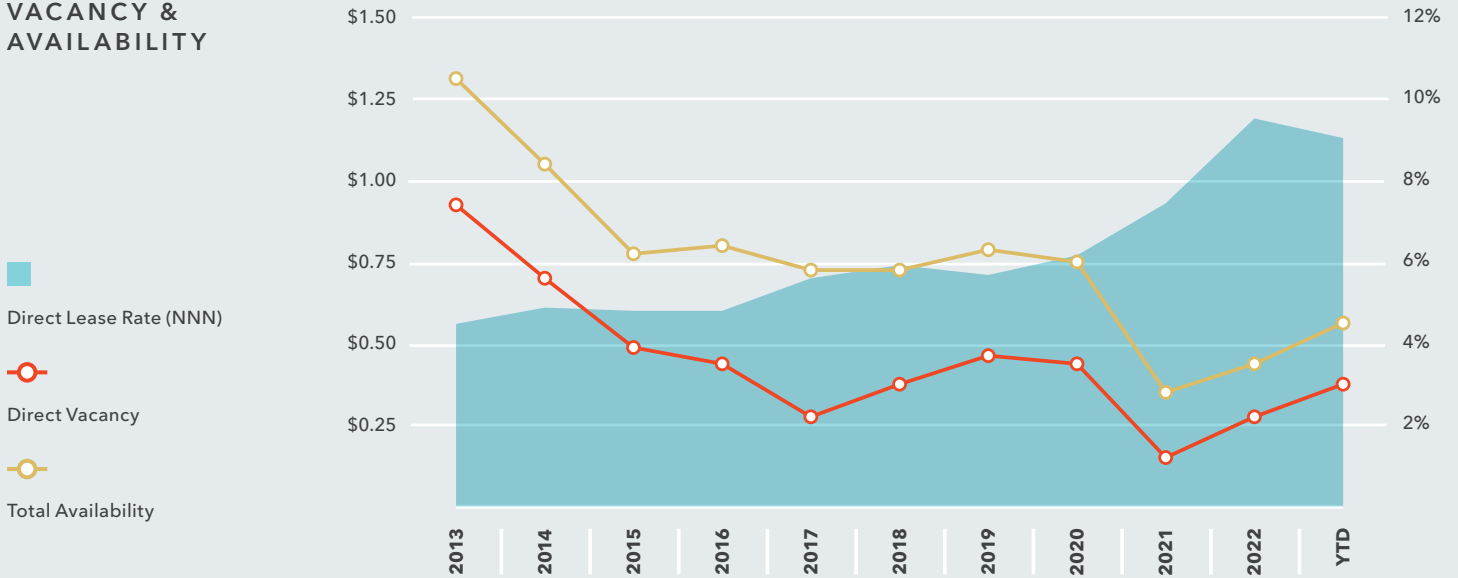
Market Highlights

DIRECT VACANCIES rose to 3.0%.

DIRECT ASKING LEASE RATES increased to \$1.13/sf NNN from \$1.05/sf NNN this time last year.

AVERAGE SALES PRICE fell quarter-over-quarter from \$253.48/sf to \$226.91/sf.

LEASE RATE, VACANCY & AVAILABILITY



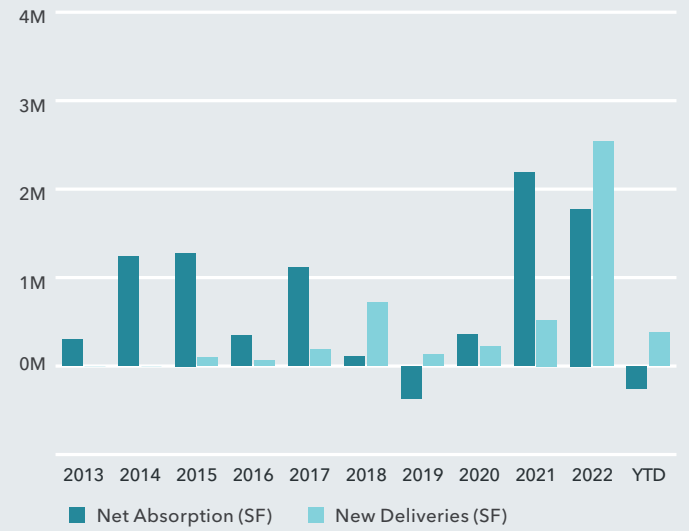
BIGGEST SALE OF THE QUARTER

*14399 Princeton Ave
Moorpark / Simi Valley*

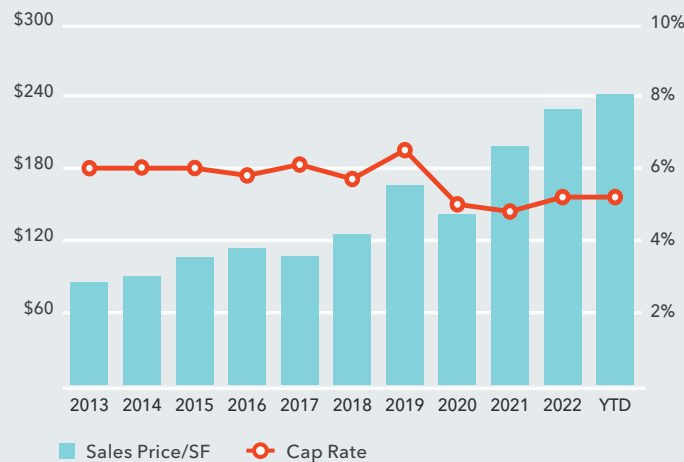


See page 4 for sale details

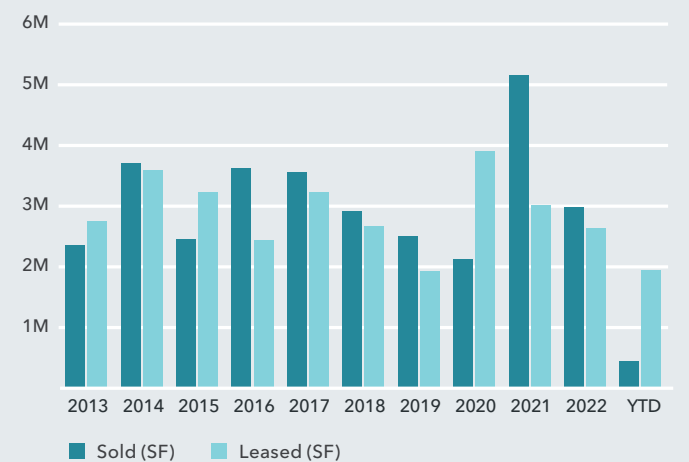
NET ABSORPTION & NEW DELIVERIES



AVERAGE SALES PRICE/SF & CAP RATE



SALE VOLUME & LEASING ACTIVITY



SUBMARKET STATISTICS

Submarket	Total Inventory	Direct Vacancy Rate	Total Vacancy Rate	3Q 2023 Direct Net Absorption	YTD 2023 Direct Net Absorption	3Q 2023 Leasing Activity	YTD 2023 Leasing Activity	SF Under Construction	2023 Construction Completions	Average NNN Rental Rate
Central Ventura	14,567,257	3.3%	3.5%	(90,453)	(76,872)	31,607	211,437	10,000	-	\$0.99
Moorpark/Simi Valley	13,623,939	4.3%	5.3%	(65,628)	40,545	102,269	313,112	550,482	382,342	\$1.31
Oxnard/Pt Hueneme	26,551,639	1.8%	1.9%	(159,110)	(155,514)	43,841	959,987	74,281	-	\$0.92
Thousand Oaks	8,671,660	5.8%	7.1%	87,297	25,670	97,099	259,054	25,000	-	\$1.40
Ventura	11,805,626	1.8%	1.8%	(28,941)	(84,369)	56,904	196,179	0	-	\$0.99
Ventura County Total	75,220,121	3.0%	3.4%	(256,835)	(250,540)	331,720	1,939,769	659,763	382,342	\$1.13

ECONOMIC REVIEW (CONT.)

SOAR (SAVE OPEN SPACE & AGRICULTURAL RESOURCES) will continue to hinder new development and keep prices high

NEAR-TERM OUTLOOK

INDUSTRIAL DEMAND will remain high, due to desirability of doing business in Ventura County, maintaining a low direct vacancy rate of 3%

RECESSION CONCERNS and rising construction costs continue to hinder new developments.

INDUSTRIAL SALE VOLUME fell 56.3% year-over-year throughout the County, quarter-over-quarter sales activity remained relatively steady. The sharp increase in rental rates over the last 3 years continues to put pressure on smaller tenants to own their own properties, in turn generating demand for owner-use type sales.

SECOND LARGEST SALE OF THE QUARTER

See page 4 for sale details

*5456 Endeavour Ct, Building 1
Moorpark / Simi Valley*



MAJOR SALE TRANSACTIONS 3Q 2023

Property	Submarket	SF	Sale Price	\$/SF	Buyer	Seller
14399 Princeton Ave	Moorpark/Simi Valley	45,916	\$13,700,000	\$298.37	Apollo Asset Management	Penta Laboratories
5456 Endeavour Ct, Building 1	Moorpark/Simi Valley	22,341	\$7,569,647	\$338.82	5456 Endeavour Court Holdings LLC	5456 Endeavour LLC
2889 Bunsen Ave	Ventura	27,192	\$5,800,000	\$213.30	Construction Ventures LLC	Triaxion Holdings LLC

MAJOR LEASE TRANSACTIONS 3Q 2023

Property	Submarket	SF	Transaction Date	Landlord	Tenant
360 Bernoulli Circ	Oxnard	13,765	September 2023	Addison Pools	Z Automotive
3583 Old Conejo Rd	Thousand Oaks	11,875	July 2023	Joe Ching Yuan & Mei Hsieh	American Specialty
1430 N Ventura Ave	Ventura	11,400	July 2023	Ventura Avenue Investors LLC	Rush Truck Centers

TOP UNDER CONSTRUCTION

Property	Address	Submarket	SF	Owner	Delivery
Easy Street Industrial Center, Building 2	NEC Madera Rd & Easy St	Moorpark/Simi Valley	175,035	Undisclosed	4Q 2023
Easy Street Industrial Center, Building 1	NEC Madera Rd & Easy St	Moorpark/Simi Valley	144,965	Undisclosed	4Q 2023
Easy Street Industrial Center, Building 3	NEC Madera Rd & Easy St	Moorpark/Simi Valley	65,003	Undisclosed	1Q 2024
Guardian Ridge	4180 Guardian St	Moorpark/Simi Valley	49,980	Guardian Street LLC	4Q 2023
Easy Street Industrial Center, Building 5	NEC Madera Rd	Moorpark/Simi Valley	46,305	Undisclosed	1Q 2024

RECENTLY DELIVERED

Property	Address	Submarket	SF	Owner	Delivery
Tapo Canyon Commerce Center, Bldg 5	4130 E Los Angeles Ave	Moorpark/Simi Valley	135,579	QuadReal	January 2023
Tapo Canyon Commerce Center, Bldg 4	1850 Tapo Canyon Rd	Moorpark/Simi Valley	76,445	QuadReal	January 2023
Tapo Canyon Commerce Center, Bldg 3	1860 Tapo Canyon Rd	Moorpark/Simi Valley	67,768	QuadReal	January 2023

Data Source: Kidder Mathews Research, CoStar, United States Bureau of Labor Statistics



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The information in this report was composed by the Kidder Mathews Research Group.

GARY BARAGONA
 Vice President of Research
 415.229.8925
 gary.baragona@kidder.com

JIM KRUSE
 Regional President, Brokerage
 Greater Los Angeles
 213.225.7249
 jim.kruse@kidder.com
 LIC N° 00678735

COMMERCIAL BROKERAGE	<i>\$12B</i> TRANSACTION VOLUME ANNUALLY	<i>32.1M</i> ANNUAL SALES SF	<i>41.2M</i> ANNUAL LEASING SF
ASSET SERVICES	<i>53M</i> MANAGEMENT PORTFOLIO SF	<i>771+</i> ASSETS UNDER MANAGEMENT	<i>250+</i> ASSET SERVICES CLIENTS
VALUATION ADVISORY	<i>2,800+</i> ASSIGNMENTS ANNUALLY	<i>41</i> TOTAL APPRAISERS	<i>23</i> WITH MAI DESIGNATIONS

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